

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:552
ANSWERED ON:03.05.2002
TEXTILES QUOTA POLICY
ALE NARENDRA

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government have declared quota policy in regard to export of textiles;
- (b) if so, the main features alongwith objectives thereof;
- (c) whether the Government have consulted the concerned exporters and other agencies in this regard prior to finalisation of this policy;
- (d) if so; the details thereof; and
- (e) if not, the reasons therefor and amendments proposed to be made in the said policy by the Government in view of the complaints made by the exporters in this regard ?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 552 for 03-05-2002

(a) & (b) Yes, Sir. Government has notified two Policy Notifications namely Garments & Knitwears Export Entitlement (Quota) Policy 2000-2004 and Yarn, Fabrics & Made-ups Export Entitlement (Quota) Policy 2000-2004. The salient features of these Policy Notifications are :-

(i) The system of allotment in case of Garments and Knitwear Exports for the years 2000-2004 will be as follows :-

System of Allotment	%age of Annual Level	(2000-2004)
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Past Performance Entitlement (PPE) System	70%+
New Investors Entitlement (NIE) System	15%
Non Quota Entitlement (NQE) System	5%
First Come First Served (FCFS) Entitlement System	10%

+ 5% reservation for High Value Entitlement within this system has since been deleted.

(ii) The system of allotment in case of Yarns, Fabrics and Made-ups will be as follows: -

System of allotment	Percentage of annual level
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I. YARN :

Past Performance Entitlement (PPE) system 55%

(ii) Manufacturer Exporters Entitlement (MEE) system 15%

(iii) Ready Goods Entitlement (RGE) system 30%

II. FABRICS (other than for categories 3,3a/EU, 31a and 32a/Canada):

Past Performance Entitlement (PPE) system 55%

(ii) Manufacturer Exporters Entitlement (MEE) system 15%

(iii) Powerloom Exporters` Entitlement (PEE) system 15%

(iv) Ready Goods Entitlement (RGE) system 15%

III. FABRICS {for EU/category 3, 3a; Canada category 31a and 32/a}:

Past Performance Entitlement (PPE) system 55%

(ii) Manufacturer Exporters Entitlement (MEE) system 15%

(iii) Ready Goods Entitlement (RGE) system 30%

MADE-UPS (Handlooms) (under quantitative restraint in USA):

Past Performance Entitlement (PPE) system 55%

(ii) Ready Goods Entitlement (RGE) system 45%

V. MADE-UPS (Mill-made/powerlooms):

Past Performance Entitlement (PPE) system 55%

(ii) Manufacturer Exporters Entitlement (MEE) system 15%

(iii) Powerloom Exporters` Entitlement (PEE) system 15%

(iv) Ready Goods Entitlement (RGE) system 15%

(iii) Some of the other important features of the new policy include, phased utilization of quota; linking of quota for new investment with investment made in such new plant and machinery which meet the eligibility criterion of the Technology Upgradation Fund Scheme and making new investment quota entitlements non-transferable.

(c) to (e) The Government had set up a Task Force to make recommendations on the long term quota (export entitlement) distribution policies for a period of five years with effect from 1.1.2000 to 31.12.2004. The Task Force invited responses from Export Promotion Councils (EPCs), leading trade associations and federations on various exporters and the associations concerned at New Delhi and Mumbai. Thus it may be seen that the Task Force considered the inputs from a wide range of sources before submitting the report was taken into account while framing the New Quota Policy.

Suggestion received from various associations of textile/garment exporters from time to time are duly considered and appropriate changes are made, whenever deemed necessary, to facilitate the smooth operation of the Quota System.